

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 98-026

January 21, 1998

PUBLIC UTILITIES COMMISSION  
Inquiry into the Response by  
Public Utilities in Maine to  
the January 1998 Ice Storm

NOTICE OF INQUIRY

WELCH, Chairman; NUGENT and HUNT, Commissioners

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## **I. SUMMARY**

A severe ice storm began in Maine on January 7, 1998, affecting utility services to most Maine customers. By this Notice, we open a summary investigation into the response by public utilities in Maine to that storm.

## **II. BACKGROUND**

During the first week of January, 1998, a major winter storm accompanied by significant icing from freezing rain caused serious damage to utility facilities in areas of Quebec. On Wednesday, January 7, 1998, the storm moved into Maine. By the morning of Friday, January 9, the storm had interrupted electric service to more than half of all Maine citizens, and had also adversely affected telecommunications and water services in some areas of the state. At the request of Governor King, on January 13, 1998, President Clinton declared Maine a Major Disaster Area.

A number of Maine's public utilities activated emergency plans to respond to the storm, and some Maine utilities called on the resources of utilities in other areas to assist them in restoring service to affected customers. Damage to utility infrastructure in many parts of Maine is reportedly severe, affecting various utility services to most Maine residents. The Commission's Consumer Assistance Division has been receiving an increasing number of complaints from ratepayers related to the adequacy of their service.

## **III. RELEVANT STATUTORY PROVISIONS**

The basic purpose of regulation by the Public Utilities Commission is stated in Maine law at 35-A M.R.S.A. § 101:

The purpose of this Title is to ensure that  
there is a regulatory system for public

utilities in the State which is consistent with the public interest and with other requirements of law. The basic purpose of this regulatory system is to assure **safe, reasonable and adequate service** at rates which are just and reasonable to customers and public utilities. [emphasis added]

Maine law provides that "the commission may on its own motion, with or without notice, summarily investigate . . . any matter related to a public utility. . . ." 35-A M.R.S.A. § 1303(1)(c). The law further provides that a subsequent formal investigation may be conducted if, after the summary investigation, the commission finds sufficient grounds exist.

#### IV. DISCUSSION

We understand that this storm has caused major damage to utility infrastructure in most parts of Maine, particularly electric facilities owned by Central Maine Power Company (CMP) and Bangor Hydro-Electric Company (BHE). We appreciate the significant efforts by utilities to restore service throughout their service territories, and the efforts of other utilities that are assisting in the restoration activities.

The significant damage to utility facilities, particularly the state's electric infrastructure, will be costly to repair. In anticipation of significant costs being incurred by CMP and BHE, on January 14, 1998, we authorized those utilities to defer the incremental costs associated with their restoration efforts, instead of expensing those costs when incurred.<sup>1</sup>

This inquiry will serve as a vehicle for us to collect reports from affected utilities and others, and to enable us to determine whether any grounds exist for us to conduct a subsequent formal investigation into any aspect of this event. We will not require Maine utilities to allocate any significant resources to this inquiry until after service restoration efforts are more complete because we do not wish to interfere with the restoration of service that is correctly Maine utilities' highest priority at this time.

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<sup>1</sup>See *Bangor Hydro-Electric Company, Deferral of Ice Storm of 1998 Service Restoration Costs*, Docket No. 98-019; and *Central Maine Power Company, Deferral of Ice Storm of 1998 Service Restoration Costs*, Docket No. 98-020.

**V. ORDERING PARAGRAPHS**

Accordingly, we

O R D E R

1. That a summary investigation pursuant to 35-A M.R.S.A. § 1303(1) be conducted into the response by all public utilities in Maine, except for switchless resellers of telecommunications services and operators of Customer-Owned Coin-Operated (or coinless) Telephones (COCOTs), to the ice storm that began in Maine on January 7, 1998, affecting utility services to most Maine customers; this summary investigation shall be conducted as a inquiry pursuant to Part 12 of Chapter 110 of the Commission's Rules; and

2. That the Administrative Director shall provide notice of this inquiry, pursuant to § 712(a) of Chapter 110 of the Commission's Rules, to all public utilities in the State of Maine, except for switchless resellers of telecommunications services and operators of Customer-Owned Coin-Operated (or coinless) Telephones (COCOTs).

Dated at Augusta, Maine this 21st day of January, 1998.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Hunt